



**BOARD CHARTER  
AND  
ETHICAL STANDARDS AND CODE OF CONDUCT**



## **ASIA MEDIA GROUP BERHAD**

### **BOARD CHARTER**

#### **1. INTRODUCTION AND OBJECTIVE**

This Board Charter ("Charter") is designed to provide lays down clearly the responsibilities, functions and terms of reference within which the Board, Board Committees and individual Directors play their roles distinct from the management ("Management") to ensures business integrity and maintains investors' confidence in AMEDIA Group's (or "the Group") corporate objectives.

The Board of Directors ("Board") of ASIA MEDIA GROUP BERHAD ("the Company" or "AMEDIA") believes that strong corporate governance is essential for delivering sustainable value to its stakeholders. In adhering to the responsibilities set out in this Charter, Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law in serving the interests of its shareholders, clients, employees, the community and other stakeholders. As a result, it is committed to good corporate governance.

It should be noted that this Charter serves as a reference to the Board members in executing their responsibilities. The provisions contained in this Charter neither replace nor supersede the laws of Malaysia or the applicable regulatory frameworks.

#### **2. THE BOARD**

##### **2.1 Composition**

The Board consists of qualified individuals with a diverse set of skills, experience and knowledge necessary to govern the Company. The Articles of Association of the Company provide for a minimum of two (2) directors and a maximum of seven (7) directors. The composition has to fulfil the Main Market Listing Requirements of Bursa Securities, which stated that at least two (2) or one-third (1/3) of the Board, whichever is higher, must be Independent Director.

The composition and size of the Board will be reviewed from time to time to ensure its suitability to facilitate the decision making of the Company.

The independent directors provide the strong independent element to the Board to ensure that all matters are reviewed with objectivity, balance and fairness. The Board shall identify an independent non-executive director to be appointed as the Senior Independent Director who will attend to any query or concern raised by shareholders as an alternative to the existing formal channel of communication with shareholders.

The Board is committed to workplace diversity, with a particular focus on supporting the representation of women in the composition of Board of the Company. The Board, through Nomination Committee, will conduct all Board appointment process in a manner that promotes gender diversity.

## 2.2 Appointment and Re-election

Pursuant to Article 70 of the Company's Constitution, at the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year one-third ( $\frac{1}{3}$ ) of the Directors for time being, or if their number is not three (3) or a multiple of three (3) then the number nearest one-third ( $\frac{1}{3}$ ) shall retire from office, and an election of Directors shall take place each year. Provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Pursuant to Article 75 of the Company's Constitution provides that the Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

The Nomination Committee is responsible to recommend appointment of new candidates to the Board of Directors by considering the required mix of skills, experience, qualities, time commitment and diversity, including gender, ethnicity and age, where appropriate and the Board shall deliberate and determine any appointment of a new director upon the recommendation from the Nomination Committee, which should comprise exclusively of non-executive directors, a majority of whom must be independent.

The Articles of Association of the Company provides that every newly appointed director is subject to re-election at the immediate Annual General Meeting (“AGM”) and at every AGM, one third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM.

## 2.3 Independence of Director

### 2.3.1 Tenure of Independent Directors

The Board takes cognisance of the Code’s recommendation on the tenure of an Independent Non-Executive Director which shall not exceed a cumulative term of nine (9) years. Under the Code, upon completion of the nine (9) years of service, an Independent Director may continue to serve on the Board subject to the director’s re-designation as a Non-Independent Director. However, subject to the assessment of the Nomination Committee, an Independent Director after serving a cumulative nine (9) years are subject to the Shareholders’ approval in a general meeting.

### 2.3.2 Access to Information and Advice

The Board recognized that the decision making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group. All the Directors have full and timely access to information with the advance distribution of Board Papers prior to Meetings. The Board is regularly updated on new statutory and regulatory requirements relating to the duties and responsibilities of Directors.

The Board may seek independent professional advice at the Company’s expense on specific issue to enable it to discharge its duties in relation to matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to the approval of the Board, depending on the quantum of the fees involved.

## 2.4 Clear Roles and Responsibilities of the Board

The Board has the overall responsibility in leading and determining the Group’s strategic direction. It provides an effective oversight of the conduct of the Group’s business, ensuring an appropriate risk management and internal control system is in place as well as regularly reviewing such system to ensure its adequacy and integrity.

The Board assumes that following principal responsibilities in discharging its fiduciary and leadership functions:

- Reviewing and adopting a strategic plan for the Company;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing of compensation and where appropriate, replacing Senior Management;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has delegated specific responsibilities to Board Committees as well as various sub-committees to assist the Board in the running of the Group. The functions and terms of reference of the Board Committees as well as authority delegated by the Board to these Committees have been clearly defined by the Board. The Board reviews the Board Committee's authority and terms of reference from time to time to ensure their relevance.

## 2.5 Matters Reserved for the Board

The matters of strategic importance to the Group or the Company, which are reviewed, discussed, deliberated and approved at the Board level, include the following:-

- I. Business and operating plan and strategies;
- II. Material acquisition and disposals of undertakings of assets;
- III. Related-party transaction of a material nature
- IV. New ventures and corporate restructuring;
- V. Internal and external audit plans; and
- VI. Corporate guarantees and parental guarantees.

## 2.6 Separation of positions of Executive Chairman, Executive Deputy Chairman and Chief Operating Officer ("CEO")

It is recommended that the positions of the Chairman and CEO should be held by different individuals, and the Chairman must be a Non-Executive Director to ensure there is a balance of power and authority. The roles of

the Non-Executive Chairman and Executive Director of the Group are distinct and separate with individual responsibilities. Each of them has clearly defined duties and authority thus ensuring balance of power and greater capacity for independent decision-making.

The key roles and responsibilities of the CEO, whether or not an Executive Director are as follows:-

- I. Responsible to plan, direct and oversee the company's operational policies, rules, initiatives and goals.
- II. Expected to help in execution of long-term and short-term plans and directives by implementing judgment, vision, management and leadership.
- III. Oversee the group of company's operations, namely marketing, customer service, technology and back-office divisions.
- IV. Develop and implement operational strategies to improve network efficiency and diversify into complementary businesses; drive business development activities to grow the business further.
- V. Collaborate with the Chief Executive Officer to develop, enhance and implement the necessary infrastructure to drive efficiency within the company.
- VI. Prepare and submit an annual operational budget, manage effectively within the budget, and report accurately on progress made and challenges encountered.
- VII. Ensure the continued financial viability programme/service units through sound fiscal management.

## 2.7 Board Committees

The Board may delegated specific responsibilities to Board Committees as well as various sub-committees to assist the Board in the running of the Group. The functions and terms of reference of the Board Committees as well as authority delegated by the Board to the following Committees have been clearly defined by the Board:-

- i) Nomination Committee;
- ii) Remuneration Committee;
- iii) Audit Committee; and
- iv) Option Scheme ("ESOS") Committee.

The Board reviews the Board Committee's authority and terms of reference from time to time to ensure their relevance. These Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board.

## 2.8 Board Meetings

The Board shall meet at least once every quarter, to consider all matters relating to the overall control, business performance and strategy of the Company. Additional meetings will be convened, when and if necessary, especially urgent and important decisions need to be taken between scheduled Meetings. The relevant reports, Meeting agenda and Board Papers are distributed to all Directors in advance of the Board Meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during the meetings. Directors shall notify the Chairman before accepting any new directorships. The directors may request for the senior management of various core businesses to provide additional insights and deliberations to their areas of responsibilities during Board meetings.

All pertinent issues, decision and conclusions discussed at the Meetings are properly recorded in the discharge of the Board's duties and responsibilities.

## 2.9 Directors' Remuneration

The Remuneration Committee is responsible to assist the Board on fair remuneration practices in attracting, retaining and motivating Directors. The remuneration package, which consists of salary, allowance, employers' contribution to the Employees Provident Fund, bonus, incentive, ESOS and other benefits are accorded to the executive directors. The package is structured to reward the executive directors based on corporate and individual performance with close links to the Group's operational and financial performance. Executive directors shall not receive any directors' fees.

The Board will determine the level of remuneration paid to directors by taking into consideration the recommendations of the Remuneration Committee to ensure that the remuneration is linked to the level of responsibilities undertaken, performance and contribution to the effective functioning of the Board. The individual Directors do not participate in the discussion of their own remuneration during the Remuneration Committees' Meeting.

Further, the Company has adopted the objectives as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains directors of the quality needed to manage the business of the Group respectively.

Note:

For security and confidentially reasons, the details of the Directors' remuneration are not shown with reference to Directors individually. The Board is of the view that the transparency and accountability aspect of the corporate governance on Directors' remuneration are appropriately served by the band disclosure made and the remuneration proposed by the board are subject to the shareholders' approval at the Meeting.

#### 2.10 Directors' Training & Continuing Education

The Board encourages Directors to attend educational / training programmes to keep themselves abreast with the various issues facing the changing business environment within which the Group operates and further enhance their professionalism in discharging their fiduciary duties to the Company. The Board and each director shall assess the training needs of the directors and oneself respectively from time to time.

The Board should regularly identify appropriate training that he believes will enhance his contribution to the Board. The Board must disclose the training courses attended by its directors in the annual report during the financial year.

### 3.0 INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board shall strive to maintain high standards of transparency and accountability in its communication to shareholders, potential investors, analysts and other stakeholders.

#### 3.1 Corporate disclosure policy

The Board has in place a Corporate Disclosure Policy in line with the Main Market Listing Requirements of Bursa Securities to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and investors.

The Board has delegated the authority to the Executive Director to approve all announcements for release to Bursa Securities. The Group Chairman and Executive Director work closely with the Board, the Senior Management and the Company Secretary who are privy to the information to maintain strict confidentiality of the information.

### 3.2 Leverage on information technology for effective dissemination of information

The Company's corporate website at [www.asiamedia.net.my](http://www.asiamedia.net.my) serves as a key communication channel for shareholders, investors and the public to obtain up-to-date information on the Group's activities, financial results, major strategic developments and other matters affecting stakeholders' interests.

To augment the process disclosure, the Board is dedicating a section for corporate governance on the Company's website, where information on the Company's announcements to the regulations, the Board Charter, rights of shareholders, and the Company's Annual Report may be accessed.

### 3.3 Questions and answer session at the Annual General Meeting ("AGM")

The AGM is the main forum for dialogue with shareholders. The Board shall encourage shareholders to participate in the questions and answer session at the AGM.

## 4.0 RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its overall responsibility for maintaining a sound internal control system for the Group to safeguard the shareholders' investment and the Group's assets, and to discharge their stewardship responsibilities in identifying risks and ensuring the implementation of appropriate systems to manage these risks in accordance with the best practices of the Malaysian Code on Corporate Governance.

The Board must ensure there is appropriate risk management and internal controls framework and processes are in place to identify, evaluate and manage the significant risks and weaknesses in internal controls that may affect the achievement of business objectives.

The Board may delegate its role of the review process to the Board Committees, for example the Audit Committee.

The Board as a whole remains responsible to the review process of risks management and internal controls from time to time to be relevant to the changes in the business environment, and this on-going process has been in place for the whole financial year under review and up to the date of adoption of this Annual Report.

## 5.0 COMPANY SECRETARIES

The Company Secretaries are suitably qualified, competent and are members of a professional body. The Company Secretaries play an advisory role to the Board, in relation to the Group's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes, guidelines and legislations.

The Board has unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties to which the post entails. The appointment of the Company Secretary is decided by the Board.

## 6.0 POLICY STATEMENT ON HEALTH, SAFETY & ENVIRONMENT

The Board considers the protection of human Health, Safety, and the Environmental for all its employees, suppliers, customers and the community to be of primary importance. The Policy Statement on Health, Safety & Environment and Policy Statement on Drug, Alcohol & Substance Abuse could ensures that the Group:-

- I. to provide adequate control of the health and safety risks arising from our work activities;
- II. to prevent accidents and cases of work-related ill health;
- III. to ensure that all accidents, incidents and near misses are reported so that they can be thoroughly investigated and control measures put in place to prevent recurrence;
- IV. to review and revise this policy as necessary at regular intervals.
- V. creates a culture of safe, healthy and environmentally friendly work practices; and
- I. subscribes to a working environment free of drug and substance abuse, alcohol and smoke.

## 7. Ethical Standards and Code of Conduct

The Code of Ethics sets out the broad standards of conduct and basic principles to guide for the Directors and employees. The Code of Conduct includes amongst others the respect for the individual, create a culture of open and honest communication, set tone at the top, uphold the law, avoid conflicts of interest, set metrics and reports results accurately.

Directors and employees of the Group are expected to observe high standards of integrity and fair dealings in relation to customers, staff and regulators in the communities within which the Group operates and ensure compliance with all applicable laws, rules and regulations to which the Group is bound to observe in the performance of its duties.

The Board has formalised a whistleblower policy to provide a safe mechanism for whomever to come forward and raise any concerns about the actual or potential fraud or breach of trust involving employees, Management and the Directors of the Group.

It allows the whistleblower the opportunity to raise concerns outside the Management line. The identity of the whistleblower will be kept confidential and protection is accorded to the whistleblower against any form of reprisal or retribution.

#### 7.1) Insider Trading

Directors and employees who have access to confidential information are prohibited to use or share that information for stock trading purposes or for any other purpose as following due to all non- public information about the Group and/or its business should be treated as confidential information, otherwise, it is unethical but is also illegal:-

- (a) trading on the basis of material, non-public information;
- (b) disclosing or “tipping” material, non-public information to others or recommending the purchase or sale of securities on the basis of such information; and
- (c) assisting someone who is engaged in any of the above activities.

#### 7.2) Conflict of Interest

The Board must be comfortable that there is no undue risk involved and that all conflicts and related party transactions are disclosed and are strictly dealt with in accordance with the provisions of the Companies Act 2016 (“Act”)and Main Market Listed Requirement (“MMLR”).

Directors are prohibited to improper use the information obtained by virtue of their position as directors to obtain, directly or indirectly, an advantage for themselves or for others, or to cause harm to the Company. Directors have to act honestly and use reasonable diligence in the discharge of their duties at all times. Directors also owe fiduciary duties to the Company to:-

- (a) act in good faith in the company’s interests;
- (b) exercise due care and skill in the discharge of their duties; and
- (c) avoid conflict between their duties and their private interests, among other things.

Every Director shall comply with the provisions of Sections 221 and 219 of the Act in connection with the disclosure of his/her interest contracts or proposed contract with the Company and in connection with the

disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly, duties or interests might be created in conflict with his duty or interest as a Director of the Company as well as any interest or changes in shares or options of the Company or personal particulars of the Director.

### 7.3) Bribes and Corruption

No director or employees shall offer, give, solicit or accept, directly or indirectly (within or outside the country) bribes, whether in personal gifts, favours, entertainment or services, in cash or kind, that will or will appear to influence objective and fair business decisions, will be accepted or provided in order to achieve business or personal advantages for themselves or others.

Directors shall not engage in any transaction that can be construed as having contravened the anti-corruption laws of Malaysia or the respective country of operations and applicable laws.

### 7.4) Protection of Assets and Funds

Directors and Employees must protect the assets and funds of the Group to ensure availability for legitimate business purposes and that no property, information or position belonging to the Group or opportunity arising from these be used for personal gain.

### 7.5) Business Records and Control

Accurate, timely and reliable records are necessary to meet the Group's legal and financial obligations and to manage the affairs of the Group. All books, records and accounts should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations. The preparation and maintenance of accurate and adequate business records are the responsibility of each Employee. No unauthorized, false, improper or misleading records or entries shall be made in the books and records of the Group, under any circumstances.

### 7.6) Compliance with the Law

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates including the Anti-Money Laundering and Anti-Terrorism Financing Act 2001, Malaysian Anti-Corruption Commission Act 2009, Personal Data Protection Act 2010 and Competition Act 2010.

The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

7.7) Waivers of the Code of Ethics

Any waiver of the Code may be made only by the Board or the Audit Committee. Waiver of the Code may be granted on a case-by-case basis and only in extraordinary circumstances.

7.8) Contact Person for Concerns

Any concerns or queries may be sent to Amedia's registered address or through e-mail.

## **REVIEW OF THE BOARD CHARTER**

The Board Charter has been adopted by the Board on 29 December 2017. Any subsequent amendment to the Board Charter can only be approved by the Board.

The Board will monitor compliance with the Board Charter and review the Board Charter regularly to ensure that it continues to remain relevant and appropriate.

The Board Charter is made available for reference in the Company's website at [www.asiamedia.net.my](http://www.asiamedia.net.my).